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MARTINDALE-HUBBELL AND
LEXIS/NEXIS, divisions of
REED ELSEVIER, INC.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

INHERENT.COM aka INHERENT, Plaintiff, v. MARTINDALE-HUBBELL, LEXIS/NEXIS INC. and DOES 1 through 200 inclusive, Defendants.	No. C 05 3515 MHP **DECLARATION OF TIMOTHY CORCORAN IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS OR, IN THE ALTERNATIVE, TRANSFER THE ACTION** Date: October 31, 2005 Time: 2:00 p.m. Courtroom: 15 Judge: Honorable Marilyn H. Patel Complaint Filed: July 29, 2005

I, TIMOTHY CORCORAN, declare.

1. I am currently employed by Martindale-Hubbell ("MH"), a division of Reed Elsevier, Inc. ("Reed Elsevier"), in New Providence, New Jersey as its Vice President, Marketing, Planning and Sales. I have personal knowledge of the facts stated herein, except where otherwise stated, and could and would competently testify thereto under oath if called as a witness.

THE PARTIES

2. MH's business consists of providing various products and services utilized by the legal profession, and its principal business office is located at 121 Chanlon Road, New Providence,

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New Jersey. LexisNexis is also a division of Reed Elsevier, and an affiliate of MH, and has a principal place of business in Miamisburg, Ohio.

3. Inherent.com Inc., also known as Inherent, Inc. ("ICI"), is a corporation which, during all times relevant to the circumstances which gave rise to the claims asserted in this action, had a principal place of business at 2140 SW Jefferson Street, Suite 200, Portland, Oregon (at the inception of MH's and ICI's relationship in the mid-1990s, ICI was located at 2110 SW Jefferson Street, Portland, Oregon). ICI's business consists of providing internet-related services (e.g., website development and hosting) for professional organizations, primarily law firms and legal professional associations.

THE HISTORICAL BUSINESS RELATIONSHIP BETWEEN MH AND ICI

4. MH and ICI developed a business relationship beginning in the mid-1990s. First, MH hired ICI to build websites for MH's proprietary business; thereafter, MH and ICI entered into a Marketing Alliance Agreement pursuant to which ICI provided website design work for law firms that were MH customers. ICI refers to the latter arrangement on its website (www.Inherent.com) as "a strategic marketing agreement to promote and develop Web sites for law firms worldwide." I served as MH's principal contact with ICI in connection with the companies' relationship pursuant to the Marketing Alliance Agreement.

5. A copy of the Marketing Alliance Agreement between MH and ICI is attached hereto as Exhibit A. Notably, paragraph 11 of the Marketing Alliance Agreement provides that any disputes between the parties would be resolved through an arbitration to take place in either New Jersey or New York.

6. In many years during which the Marketing Alliance Agreement was in effect, ICI received revenues of in excess of $200,000 that were generated by MH's sales to its customers.

7. By 2002, MH decided to discontinue its relationship with ICI pursuant to the Marketing Alliance Agreement. In or about March or April 2002, the parties therefore undertook to transition the then current accounts being managed under that arrangement to ICI to be handled by it directly.

8. Despite having terminated the Marketing Alliance Agreement in 2002, the

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relationship between MH and ICI remained cordial and MH continued to do business with ICI. In 2003, MH paid ICI over $93,000; in 2004, MH paid ICI over $67,000; and in 2005, MH's payments to ICI so far have been approximately $78,000.

9. Since January 2000, MH has paid ICI over $1,000,000.

10. In the course of the business relationship between MH and ICI, executives of ICI visited MH's New Jersey offices approximately forty times, including approximately 35 visits by the President of ICI (three individuals held that office successively, the most recent being ICI's current President, Ms. Debra Kamys).

11. In addition, ICI representatives traveled to many locations outside of Oregon, to trade shows and other client or business related events, in connection with its relationship with MH. In fact, the Marketing Alliance Agreement (at page 10) specifically obligated ICI to both send representatives to participate in major trade shows with MH personnel, and to send representatives to visit prospective customers in connection with meetings being conducted by MH personnel.

12. The Marketing Alliance Agreement required MH and ICI to develop a close working relationship that supplemented the vendor/customer relationship that existed as a result of ICI providing services to develop websites for MH's own products and services. Accordingly, MH and ICI were in extremely regular contact for almost a ten-year period, with the frequency of those contacts being very high during the 1996-2002 time frame in which the Marketing Alliance Agreement was operative.

13. I estimate that prior to August 2004, when the circumstances giving rise to the claims at issue in this lawsuit began, ICI representatives contacted me and other MH representatives in New Jersey hundreds of times by telephone and likely sent over 1000 e-mails to MH representatives in New Jersey. In addition, ICI sent many documents to MH representatives in New Jersey by mail and by facsimile transmission.

14. In August 2004, Ms. Kamys contacted me via telephone at my office in New Jersey in an attempt to interest MH in acquiring ICI. When we spoke, Ms. Kamys advised me that she had read a recent press release announcing that an MH competitor had acquired a company that

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provided services similar to ICI's website design, and suggested that an acquisition of ICI by MH might be an appropriate competitive response.

15. From August 2004 through June 2005, MH and ICI had many communications (by telephone, e-mail, and in person) regarding a potential business relationship between the companies, and ICI provided MH with information regarding its operations. After I made the initial introduction of Ms. Kamys to other MH representatives (all of whom are located in New Jersey) with respect to the possibility of evaluating the merits of the transaction suggested by ICI, I continued to have contact with Ms. Kamys, albeit limited, regarding that subject matter.

CONCLUSION

16. California presents a very inconvenient forum for the adjudication of the claims asserted by ICI in this action (and to be asserted by way of Counterclaim by the defendants). The relationship between MH and ICI, and specifically the events giving rise to the dispute concerning their rights and obligations under the non-binding Letter of Interest, have nothing to do with California. To my knowledge, no representative of ICI or MH who had anything to do with the matters in dispute in this action is located in California. While at least some of ICI's witnesses may be located in Oregon, the vast majority of the witnesses with knowledge of the facts in this matter are located in New Jersey. Virtually all of MH's likely witnesses are located in New Jersey or New Jersey area. Finally, all of MH's documents and e-mails are located in New Jersey.

17. This is a dispute between a New Jersey-based company and an Oregon-based company where the substantial weight of the witnesses and proofs are located in New Jersey. As a company whose principal office is located in New Jersey, MH seeks to resolve this dispute in New Jersey -- not only because the facts of this dispute have a close nexus to New Jersey, where many of the events and contacts surrounding this action occurred, and where the disputed non-binding Letter of Interest was made and delivered to ICI, but because New Jersey is also the jurisdiction where the first lawsuit concerning the non-binding Letter of Interest was filed. New Jersey is a decidedly more convenient forum than California for the resolution of the claims at issue between MH and ICI.

I declare under penalty of perjury that the foregoing is true and correct.

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Executed on September 6, 2005.

TIMOTHY B. CORCORAN

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